

FORM **BE-22** U.S. DEPARTMENT OF COMMERCE  
(11-10-99) BUREAU OF ECONOMIC ANALYSIS**MANDATORY  
CONFIDENTIAL  
ANNUAL SURVEY OF SELECTED  
SERVICES TRANSACTIONS WITH  
UNAFFILIATED FOREIGN  
PERSONS - 1999**

Public reporting burden for this collection of information is estimated to vary from 4 to 500 hours per response, with an average of 11.5 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate, including suggestions for reducing this burden, to Director, Bureau of Economic Analysis (BE-1), U.S. Department of Commerce, Washington, DC 20230; and to the Office of Management and Budget, Paperwork Reduction Project 0608-0060, Washington, DC 20503.

**BEA USE ONLY**

Control number

**Part I NAME, ADDRESS, AND DETERMINATION OF REPORTING STATUS****1. Name and principal address of U.S. Reporter – Enter or correct as necessary.****MAIL  
REPORTS  
TO**U.S. Department of Commerce  
Bureau of Economic Analysis  
BE-50(SSB)  
Washington, DC 20230**OR****DELIVER  
REPORTS  
TO**U.S. Department of Commerce  
Bureau of Economic Analysis  
BE-50(SSB)  
Shipping and Receiving Section M-100  
1441 L Street, NW  
Washington, DC 20005**Assistance** – Telephone (202) 606-5588 during office  
hours – 8:00 a.m. to 4:00 p.m. eastern time.**Due date** – A completed BE-22 is due on March 31, 2000.

**WHAT TO FILE** – All persons who receive this form must complete Part I, and the "Person to Consult" and "Certification" blocks below. Reporters subject to the mandatory reporting requirement must also complete Part II and the mandatory section(s) of the appropriate schedule(s). Reporters that elect to voluntarily report data must complete Part II and the voluntary section(s) of the appropriate schedule(s). Recipients of this form that are exempt from reporting must complete the exemption claim on page 2. TO DETERMINE REPORTING STATUS, PLEASE READ THE ATTACHED **GENERAL INSTRUCTIONS**.

**BEA USE ONLY****2. Determination of reporting status**

If a U.S. person's total transactions (either sales or purchases) with unaffiliated foreign persons in any of the types of services listed on pages iv - vi of the General Instructions exceed \$1,000,000 during the U.S. person's fiscal year, a BE-22 report **must** be filed. If a U.S. person's total transactions (either sales or purchases) with unaffiliated foreign persons in a given type of service are \$1,000,000 or less during the fiscal year, the U.S. person **may** voluntarily report the total for each type of service, not distributed by individual foreign country, on line 32 of the appropriate schedules. These estimates may be judgmental, that is, not based on a search of accounting records but instead on the recollection of knowledgeable persons within the company who are in a position to know whether any significant transactions in the particular service(s) were engaged in during the year, and if so, the approximate total amount(s) of such transactions. Information provided on these transactions will make the survey results more complete and will better ensure that all types of services are adequately represented in any negotiations or other policy initiatives supported by the survey data.

Mark (X) one:

- ☐ The U.S. Reporter is required to report data in the mandatory section of at least one of the schedules.
- ☐ The U.S. Reporter is not required to report data in the mandatory section of any schedule, but elects to report data voluntarily on line 32 of at least one schedule.
- ☐ The U.S. Reporter is not reporting data in either the mandatory or voluntary section of any schedule, and is filing an exemption claim. *Complete the "PERSON TO CONSULT" and CERTIFICATION sections below and the exemption claim on page 2.*

**PERSON TO CONSULT CONCERNING QUESTIONS  
ABOUT THIS REPORT — Enter name and address**

**CERTIFICATION** – The undersigned official certifies that this report has been prepared in accordance with the applicable instructions, is complete, and is substantially accurate except that, in accordance with VI.G of the **General Instructions**, estimates have been provided where data are not available from customary accounting records or precise data could not be obtained without undue burden.

Authorized official's signature

**TELEPHONE  
NUMBER**

Area code

Number

Extension

Print or type name and title

Date

**EXEMPTION CLAIM – Complete only if Part I, item 2, box 3 was marked.**

The U.S. Reporter is not reporting data on any schedule of this form because it – *Mark (X) appropriate box.*

**A** ☐ Was not in existence at any time during the reporting period.

**B** ☐ Is owned to the extent of more than 50% of its voting stock by another U.S. enterprise. →

*(If the U.S. Reporter is a corporation, the data in this report are to be for the fully consolidated domestic enterprise. If a corporation is owned to the extent of more than 50 percent of its voting stock by another U.S. corporation, the parent corporation should file this report. For exceptions, see I.D. of the General Instructions.)*

**C** ☐ Had no transactions, either sales or purchases, of the types covered, with unaffiliated foreign persons.

**D** ☐ Had transactions, either sales or purchases, of the types covered but the value of each type did not exceed \$1,000,000 and the U.S. Reporter does not wish to report the data voluntarily. The total amount of the transactions, for all services combined, was approximately →

**Specify parent corporation**

Name

Address — Number and street

City

State

ZIP Code

**Report in thousands of U.S. dollars**

Sales

\$

Purchases

\$

If you marked (X) a box in this exemption claim – **STOP HERE** and return this form to BEA.

**Part II**

**1. Annual report for fiscal year ending** →

11001

Month

Day

Year

9 9

**2. Industry classification – Enter 3-digit code from the Summary of Industry Classifications.** →

11002

**3. Major activity of the U.S. Reporter and product or service involved in that activity** →

**4. Primary Employer Identification (EI) Number used by the U.S. Reporter to file U.S. income or payroll taxes** →

11003

**SCHEDULE A****U.S. REPORTER'S SALES OF SELECTED SERVICES TO UNAFFILIATED FOREIGN PERSONS**

The mandatory section is **required** to be completed for a given type of service or activity if your total sales to foreign persons of that service, or your total receipts from foreign persons for that activity, exceed \$1,000,000.

The voluntary section is **requested** to be completed for a given type of service or activity if your total sales to foreign persons of that service, or your total receipts from foreign persons for that activity, are \$1,000,000 or less.

**NOTE** – In determining exemption, except for transactions in rights to natural resources, the \$1,000,000 threshold should be separately applied to each of the services listed below. For transactions in rights to natural resources, the \$1,000,000 threshold should be applied to the sum of services numbered 13 and 14.

Enter the number associated with the service, instead of the complete title of the service, in the column heading on page 3. See VII. of the General Instructions for complete descriptions of the services covered.

Service number	Service
1	Advertising services
2	Computer and data processing services
3	Data base and other information services
4	Telecommunications services
5	Research, development, and testing services
6	Management, consulting, and public relations services
7	Accounting, auditing, and bookkeeping services
8	Legal services
9	Educational and training services
10	Industrial engineering services
11	Industrial-type maintenance, installation, alteration, and training services
12	Performing arts, sports, and other live performances, presentations, and events
13	Sale or purchase of rights to natural resources, and lease bonus payments
14	Use or lease of rights to natural resources, excluding lease bonus payments
15	Disbursements to fund news-gathering costs of broadcasters
16	Disbursements to fund news-gathering costs of print media
17	Disbursements to fund production costs of motion pictures
18	Disbursements to fund production costs of broadcast program material other than news
19	Disbursements to maintain government tourism and business promotion offices
20	Disbursements for sales promotion and representation
26	Merchanting services
27	Operational leasing services
28	Other private services*

\*"Other private services" (i.e., service number 28) consist of language translation services, security services, collection services, actuarial services, salvage services, satellite photography services, and toxic waste cleanup services.

# SCHEDULE A – U.S. REPORTER’S SALES OF SELECTED SERVICES TO UNAFFILIATED FOREIGN PERSONS

RECEIPTS FROM		BEA USE ONLY		REPORT IN THOUSANDS OF U.S. DOLLARS							
				Service number:	Service number:	Service number:	Service number:	Service number:	Service number:		
				(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>MANDATORY</b> <span style="float: right;">A1000</span>		1	2	3	4	5	6	7	8		
<b>Complete if total sales of the given type of service exceed \$1,000,000.</b>  <b>1. All countries, total</b> → 001		1	2	3	4	5	6	7	8		
2. Australia	002	1	601	2	3	4	5	6	7	8	
3. Belgium	003	1	302	2	3	4	5	6	7	8	
4. Brazil	004	1	202	2	3	4	5	6	7	8	
5. Canada	005	1	100	2	3	4	5	6	7	8	
6. France	006	1	307	2	3	4	5	6	7	8	
7. Germany	007	1	308	2	3	4	5	6	7	8	
8. Hong Kong	008	1	611	2	3	4	5	6	7	8	
9. Israel	009	1	504	2	3	4	5	6	7	8	
10. Italy	010	1	314	2	3	4	5	6	7	8	
11. Japan	011	1	614	2	3	4	5	6	7	8	
12. Luxembourg	012	1	316	2	3	4	5	6	7	8	
13. Mexico	013	1	213	2	3	4	5	6	7	8	
14. Netherlands	014	1	319	2	3	4	5	6	7	8	
15. Philippines	015	1	623	2	3	4	5	6	7	8	
16. Saudi Arabia	016	1	511	2	3	4	5	6	7	8	
17. South Korea	017	1	626	2	3	4	5	6	7	8	
18. Spain	018	1	323	2	3	4	5	6	7	8	
19. Sweden	019	1	324	2	3	4	5	6	7	8	
20. Switzerland	020	1	325	2	3	4	5	6	7	8	
21. Taiwan	021	1	628	2	3	4	5	6	7	8	
22. United Kingdom	022	1	327	2	3	4	5	6	7	8	
23. Venezuela	023	1	219	2	3	4	5	6	7	8	
<b>Other — Specify</b> (Use additional copied sheets as necessary)		1	2	3	4	5	6	7	8		
24.	024	1	2	3	4	5	6	7	8		
25.	025	1	2	3	4	5	6	7	8		
26.	026	1	2	3	4	5	6	7	8		
27.	027	1	2	3	4	5	6	7	8		
28.	028	1	2	3	4	5	6	7	8		
29.	029	1	2	3	4	5	6	7	8		
30.	030	1	2	3	4	5	6	7	8		
31.	031	1	2	3	4	5	6	7	8		
<b>VOLUNTARY</b>											
<b>Complete if total sales of the given type of service are \$1,000,000 or less.</b>  <b>32. All countries, total</b> → 032		1	2	3	4	5	6	7	8		
<b>BEA USE ONLY</b> 033		1	2	3	4	5	6	7	8		

**SCHEDULE B – U.S. REPORTER'S PURCHASES OF SELECTED  
SERVICES FROM UNAFFILIATED FOREIGN PERSONS**

The mandatory section is **required** to be completed for a given type of service or activity if your total purchases of that service, or outlays for that activity, exceed \$1,000,000.

The voluntary section is **requested** to be completed for a given type of service or activity if your total purchases of that service, or outlays for that activity, are \$1,000,000 or less.

**NOTE** – In determining exemption, except for transactions in rights to natural resources, the \$1,000,000 threshold should be separately applied to each of the services listed below. For transactions in rights to natural resources, the \$1,000,000 threshold should be applied to the sum of services numbered 13 and 14. For purchases of primary insurance, for which premiums paid and losses recovered are required to be reported in separate columns, both premiums paid and losses recovered (services numbered 22 and 23) must be reported if either premiums paid or losses recovered exceed \$1,000,000. If there are transactions in one of these services but not in the other, enter "N/A" in the appropriate column of this schedule, line 1 or 32.

Enter the number associated with the service, instead of the complete title of the service, in the column heading on page 5. See VII. of the General Instructions for complete descriptions of the services covered.

Service number	Service
<b>1</b>	Advertising services
<b>2</b>	Computer and data processing services
<b>3</b>	Data base and other information services
<b>4</b>	Telecommunications services
<b>5</b>	Research, development, and testing services
<b>6</b>	Management, consulting, and public relations services
<b>7</b>	Accounting, auditing, and bookkeeping services
<b>8</b>	Legal services
<b>9</b>	Educational and training services
<b>10</b>	Industrial engineering services
<b>11</b>	Industrial-type maintenance, installation, alteration, and training services
<b>12</b>	Performing arts, sports, and other live performances, presentations, and events
<b>13</b>	Sale or purchase of rights to natural resources, and lease bonus payments
<b>14</b>	Use or lease of rights to natural resources, excluding lease bonus payments
<b>15</b>	Disbursements to fund news-gathering costs of broadcasters
<b>16</b>	Disbursements to fund news-gathering costs of print media
<b>17</b>	Disbursements to fund production costs of motion pictures
<b>18</b>	Disbursements to fund production costs of broadcast program material other than news
<b>19</b>	Disbursements to maintain government tourism and business promotion offices
<b>20</b>	Disbursements for sales promotion and representation
<b>21</b>	Disbursements to participate in foreign trade shows
<b>22</b>	Premiums paid on purchase of primary insurance
<b>23</b>	Losses recovered on purchases of primary insurance
<b>24</b>	Construction, engineering, architectural, and mining services
<b>27</b>	Operational leasing services
<b>28</b>	Other private services*
*Other private services" (i.e., service number 28) consist of language translation services, security services, collection services, actuarial services, salvage services, satellite photography services, and toxic waste cleanup services.	

Note that purchases of financial services covered by this survey are to be reported on separate Schedule C, not on this schedule.

# **SCHEDULE B – U.S. REPORTER’S PURCHASES OF SELECTED SERVICES FROM UNAFFILIATED FOREIGN PERSONS**

PAYMENTS TO		BEA USE ONLY		REPORT IN THOUSANDS OF U.S. DOLLARS									
				Service number:	Service number:	Service number:	Service number:	Service number:	Service number:				
				(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		
<b>MANDATORY</b> Complete if total purchases of the given type of service exceed \$1,000,000.													
<b>1. All countries, total</b> → 001		1	2	3	4	5	6	7	8				
2. Australia	002	1	601	2	3	4	5	6	7	8			
3. Belgium	003	1	302	2	3	4	5	6	7	8			
4. Brazil	004	1	202	2	3	4	5	6	7	8			
5. Canada	005	1	100	2	3	4	5	6	7	8			
6. France	006	1	307	2	3	4	5	6	7	8			
7. Germany	007	1	308	2	3	4	5	6	7	8			
8. Hong Kong	008	1	611	2	3	4	5	6	7	8			
9. Israel	009	1	504	2	3	4	5	6	7	8			
10. Italy	010	1	314	2	3	4	5	6	7	8			
11. Japan	011	1	614	2	3	4	5	6	7	8			
12. Luxembourg	012	1	316	2	3	4	5	6	7	8			
13. Mexico	013	1	213	2	3	4	5	6	7	8			
14. Netherlands	014	1	319	2	3	4	5	6	7	8			
15. Philippines	015	1	623	2	3	4	5	6	7	8			
16. Saudi Arabia	016	1	511	2	3	4	5	6	7	8			
17. South Korea	017	1	626	2	3	4	5	6	7	8			
18. Spain	018	1	323	2	3	4	5	6	7	8			
19. Sweden	019	1	324	2	3	4	5	6	7	8			
20. Switzerland	020	1	325	2	3	4	5	6	7	8			
21. Taiwan	021	1	628	2	3	4	5	6	7	8			
22. United Kingdom	022	1	327	2	3	4	5	6	7	8			
23. Venezuela	023	1	219	2	3	4	5	6	7	8			
<b>Other — Specify</b> (Use additional copied sheets as necessary)													
24.	024	1		2	3	4	5	6	7	8			
25.	025	1		2	3	4	5	6	7	8			
26.	026	1		2	3	4	5	6	7	8			
27.	027	1		2	3	4	5	6	7	8			
28.	028	1		2	3	4	5	6	7	8			
29.	029	1		2	3	4	5	6	7	8			
30.	030	1		2	3	4	5	6	7	8			
31.	031	1		2	3	4	5	6	7	8			
<b>VOLUNTARY</b> Complete if total purchases of the given type of service are \$1,000,000 or less.													
<b>32. All countries, total</b> → 032		1		2	3	4	5	6	7	8			
<b>BEA USE ONLY</b> 033		1		2	3	4	5	6	7	8			

**NOTE** – If total (cross-border) purchases of a given type of service exceed \$1 million, you must complete the MANDATORY section above, and line 32 must be left blank.

## **SCHEDULE C – U.S. REPORTER'S PURCHASES OF FINANCIAL SERVICES FROM UNAFFILIATED FOREIGN PERSONS**

The mandatory section is **required** to be completed if your total purchases of financial services exceed \$1,000,000.

The voluntary section is **requested** to be completed if your total purchases of financial services are \$1,000,000 or less.

This schedule covers direct **purchases** from foreigners of financial services by U.S. firms that are **not** financial services intermediaries or providers. For example, financial services purchased directly from foreigners by a U.S. manufacturing firm are covered, but services purchased by a U.S. bank or other U.S. financial services intermediary or provider are not covered.

For a consolidated U.S. enterprise that is comprised of both financial and nonfinancial subsidiaries, this schedule pertains **only** to transactions of the subsidiaries that are not financial services intermediaries or providers. Thus, for example, an auto manufacturer that owns a finance company should complete the financial services questions only for the manufacturing part of the firm.

Although financial services intermediaries are exempt from reporting on this schedule, they must report their purchases and sales of nonfinancial services on the other BE-22 schedules, and must report their purchases and sales of financial services on BEA surveys of financial services transactions between financial services providers and unaffiliated foreign persons, as appropriate.

U.S. financial services intermediaries or providers that are exempt from reporting on this schedule are: Depository institutions; nondepository credit institutions; security and commodity brokers, dealers, exchanges, and services providers; insurance carriers and pension funds; insurance agents, brokers, and services providers; investment offices, trusts, oil royalty traders, patent owners and lessors, and real estate investment trusts; and holding companies of financial services intermediaries. This list is similar to the finance and insurance part of Division H in the 1987 Standard Industrial Classification Manual, except that Division H includes all holding companies, not just holding companies of financial services intermediaries.

**Column (3), Credit-related fees** – Include fees for establishing, maintaining, or arranging credits, letters of credit, bankers acceptances, mortgages, factoring services, loan guarantees, etc., that are commonly provided by foreign banking establishments.

Include fees paid directly and fees that are withheld or deducted from your proceeds by the foreign person. For example, for factoring services, the fee may be calculated as the difference between the proceeds you received from the sale of your receivables and the face amount of the receivables sold; for arranging credits, letters of credit, etc., it may be calculated as the difference between the proceeds you received from the loan, letter of credit, etc. (after deduction of the fee) and your liability to the foreign lending establishment. Report credit-related fees in the accounting period in which they are incurred, whether or not expensed in that accounting period.

**Exclude** interest on your obligations, because interest is a payment for the use of loan proceeds and is not a fee for the establishment, maintenance, or arrangement of credit.

**Column (4), Fees on securities transactions** – Include commissions and other fees for securities transactions (including transactions in derivatives) or futures trading, such as brokerage, underwriting, private placements, etc. Fees for such services would commonly be paid to foreign investment banks and securities brokers or dealers.

Include fees that can be calculated from transactions records or other documentation issued by the investment bank or security broker or dealer. Omit, rather than attempt to estimate, these fees if they cannot be calculated from such documentation. (For example, a dealer's markup on bond purchases and sales cannot be directly estimated from transactions records issued by a securities dealer.)

**Column (5), Fees for other financial services** – Include fees for asset/liability management, debt renegotiation, and other financial services. **Exclude leasing.** (Report computer leasing in the BE-22 service category, "Operational leasing services.") **Exclude real estate management services.** (Report such services in the BE-22 service category, "Management, consulting, and public relations services.") For entries in this column, describe on the back of Schedule C the type of financial service that accounts for the largest share of the data reported.

# **SCHEDULE C – U.S. REPORTER’S PURCHASES OF FINANCIAL SERVICES FROM UNAFFILIATED FOREIGN PERSONS**

**NOTE** – Total purchases of financial services are calculated as the sum of columns (3) through (5)

PAYMENTS TO	BEA USE ONLY		REPORT IN THOUSANDS OF U.S. DOLLARS		
	(1)	(2)	Credit-related fees  (3)	Fees on securities transactions  (4)	Fees for other financial services (Specify largest type on reverse side of this schedule.)  (5)
<b>MANDATORY</b> <b>Complete if total purchases of financial services exceed \$1,000,000.</b>					
<b>1. All countries, total</b> → <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">C0001</span>	1	2	3	4	5
<b>2. Australia</b> 002	1	2	3	4	5
<b>3. Belgium</b> 003	1	2	3	4	5
<b>4. Brazil</b> 004	1	2	3	4	5
<b>5. Canada</b> 005	1	2	3	4	5
<b>6. France</b> 006	1	2	3	4	5
<b>7. Germany</b> 007	1	2	3	4	5
<b>8. Hong Kong</b> 008	1	2	3	4	5
<b>9. Israel</b> 009	1	2	3	4	5
<b>10. Italy</b> 010	1	2	3	4	5
<b>11. Japan</b> 011	1	2	3	4	5
<b>12. Luxembourg</b> 012	1	2	3	4	5
<b>13. Mexico</b> 013	1	2	3	4	5
<b>14. Netherlands</b> 014	1	2	3	4	5
<b>15. Philippines</b> 015	1	2	3	4	5
<b>16. Saudi Arabia</b> 016	1	2	3	4	5
<b>17. South Korea</b> 017	1	2	3	4	5
<b>18. Spain</b> 018	1	2	3	4	5
<b>19. Sweden</b> 019	1	2	3	4	5
<b>20. Switzerland</b> 020	1	2	3	4	5
<b>21. Taiwan</b> 021	1	2	3	4	5
<b>22. United Kingdom</b> 022	1	2	3	4	5
<b>23. Venezuela</b> 023	1	2	3	4	5
<b>Other — Specify</b> (Use additional copied sheets as necessary)					
<b>24.</b> 024	1	2	3	4	5
<b>25.</b> 025	1	2	3	4	5
<b>26.</b> 026	1	2	3	4	5
<b>27.</b> 027	1	2	3	4	5
<b>28.</b> 028	1	2	3	4	5
<b>29.</b> 029	1	2	3	4	5
<b>30.</b> 030	1	2	3	4	5
<b>31.</b> 031	1	2	3	4	5
<b>VOLUNTARY</b> <b>Complete if total purchases of financial services are \$1,000,000 or less.</b>					
<b>32. All countries, total</b> →	1	2	3	4	5
<b>BEA USE ONLY</b> 033	1	2	3	4	5

**NOTE** – If total (cross-border) purchases of all types of financial services combined (the sum of columns 3 through 5) exceed \$1 million, you must complete the MANDATORY section above, and line 32 must be left blank.

## SCHEDULE C – PURCHASES OF FINANCIAL SERVICES FROM UNAFFILIATED FOREIGN PERSONS

If there is an entry in column (5) of Schedule C, specify below the type of financial service that accounts for the largest share of the data reported.

[illegible]



**SUPPLEMENT A – OPTIONAL CHECKLIST OF SERVICES TRANSACTIONS BETWEEN  
COMPANY UNIT AND UNAFFILIATED FOREIGN PERSONS**  
**ANNUAL SURVEY OF SELECTED SERVICES TRANSACTIONS WITH UNAFFILIATED FOREIGN PERSONS**

This checklist is provided with the BE-22 survey for the internal use and convenience of Reporters only and is not to be returned to BEA.

The purpose of this checklist is to facilitate the determination of whether or not the "parts" or units of a given U.S. company had any of the various services transactions covered by the survey, either sales (receipts) or purchases (payments), with unaffiliated foreign persons during the respondent's fiscal year. (The term "persons" includes business enterprises, governments, individuals, and other organizations and entities.)

For companies with diverse operations, this checklist should be directed to persons in the various parts of the company who are knowledgeable about the parts' sales and purchasing activities and who can say, in their judgement, with a reasonable degree of certainty without conducting a records search, whether or not a part engaged in covered transactions. Because companies organize their operations and accounting systems in different ways, these parts of a company might variously be referred to as profit centers, business units, divisions, subsidiaries, plant sites, establishments, operating centers, etc., or some combination thereof. All parts of the domestic company must be covered, although all need not be given the checklist, since some might already be known by headquarters to have, or not have, reportable transactions.

Definitions of the various types of services are on the reverse side of this checklist. Note that in several cases - advertising (service number 1); telecommunications (service number 4); performing arts, etc. (service number 12); miscellaneous disbursements (services numbered 15-21); and rights to natural resources (services numbered 13 and 14) - measures other than, or in addition to, sales of services and purchases of services should be used in completing the checklist.

The guidelines listed below apply to this checklist.

- Both sales and purchases of services should relate to the company's fiscal year.
- Transactions by the U.S. operations ONLY are covered. Transactions by or with foreign branches or subsidiaries (foreign affiliates) of the U.S. company are NOT covered, NOR are transactions by or with a foreign parent company.
- In reporting purchases, include items meeting the above criteria, without regard to whether they were charged as an expense on the income statement, capitalized, or charged to inventories.
- "Foreign" means that which is situated outside the United States and its territories and possessions. Therefore, transactions with companies located in the United States that have foreign parents are NOT includable; and transactions with foreign affiliates of other U.S. companies ARE includable.
- Foreign persons are considered to be "unaffiliated" if (a) the U.S. company's ownership percentage (direct and indirect) in the foreign person is less than 10 percent or (b) the foreign person's ownership percentage (direct and indirect) in the U.S. company is less than 10 percent. (Questions as to whether a particular foreign company is affiliated or unaffiliated should be referred to the person named in the box below.)
- Includable transactions are determined by the above criteria, without regard to WHERE the services were performed. For example, services performed abroad by a respondent are covered if the respondent's U.S. operations performed the services instead of a foreign affiliate. Similarly, purchases of services from unaffiliated foreign persons are includable without regard to WHERE such services were performed.

Person in company headquarters to contact concerning questions about this survey.

Name \_\_\_\_\_

**TELEPHONE**

Area code	Number	Extension
-----------	--------	-----------

**OPTIONAL SALES AND PURCHASES CHECKLIST**

For each service listed, for both sales and purchases, mark (X) "Yes" or "No" as to whether, in your judgement, your part of the company had any transactions with unaffiliated foreign persons during the fiscal year. If the answer is "Yes," enter the estimated amount of the transactions in column (c) (SALES) or column (f) (PURCHASES).

Type of service	SALES			PURCHASES		
	Had any transactions?		Estimated amount Report in dollars (c)	Had any transactions?		Estimated amount Report in dollars (f)
	Yes (a)	No (b)		Yes (d)	No (e)	
1. Advertising services						
2. Computer and data processing services						
3. Data base and other information services						
4. Telecommunications services						
5. Research, development, and testing services						
6. Management, consulting, and public relations services						
7. Accounting, auditing, and bookkeeping services						
8. Legal services						
9. Educational and training services						
10. Industrial engineering services						
11. Industrial-type maintenance, installation, alteration, and training services						
12. Performing arts, sports, and other live performances, presentations and events						
13. Sale or purchase of rights to natural resources, and lease bonus payments						
14. Use or lease of rights to natural resources, excluding lease bonus payments						
15. Disbursements to fund news-gathering costs of broadcasters						
16. Disbursements to fund news-gathering costs of print media						
17. Disbursements to fund production costs of motion pictures						
18. Disbursements to fund production costs of broadcast program material other than news						
19. Disbursements to maintain government tourism and business promotion offices						
20. Disbursements to maintain sales promotion and representation						
21. Disbursements to participate in foreign trade shows			Not reportable			
22. Premiums paid on primary insurance			Not reportable			
23. Losses recovered on primary insurance			Not reportable			
24. Construction, engineering, architectural, and mining services			Not reportable			
25. Financial services			Not reportable			
26. Merchanting services						Not reportable
27. Operational leasing services						
28. Other private services						

**Person completing this form for part or unit of company, complete box on reverse side.**

## DEFINITIONS OF TYPES OF SERVICES

1. **Advertising services** – Preparation of advertising and placement of such advertising in media, including charges for media space and time. An advertising agency selling services should use **gross billings** to unaffiliated foreigners in completing the checklist.
2. **Computer and data processing services** – Data entry, processing (both batch and remote), and tabulation; computer systems analysis, design, and engineering; custom software and programming services; integrated hardware/software systems; and other computer services (e.g., timesharing, maintenance, and repair). **Excludes general use computer software royalties and license fees; for 1997 and the following years these transactions are to be reported on the Form BE-93, Annual Survey of Royalties, License Fees, and Other Receipts and Payments for Intangible Rights Between U.S. and Unaffiliated Foreign Persons.**
3. **Data base and other information services** – Business and economic data base services, including business news, stock quotation, and financial information services; medical, legal, technical, demographic, bibliographic, and similar data base services; general news services, such as those provided by a news syndicate; and other information services, including reservation systems and credit reporting and authorization systems.
4. **Telecommunications services**
  - a. **Message telephone services (communications carriers only)** – Receipts from foreign persons (communications companies and postal, telephone, and telegraph agencies (PTT's)) for own share of revenues for transmitting messages originating abroad to U.S. destinations, and payouts to foreign persons (communications companies and PTT's) for their share of revenues for transmitting messages originating in the United States to foreign destinations.
  - b. **Private leased channel services** – Receipts from foreign persons for circuits and channels terminating in the United States and for circuits and channels between foreign points, and payouts to foreign persons for leased channels and circuits terminating in foreign countries.
  - c. **Telex, telegram, and other jointly provided (basic) services** – Includes telex and telegram services, packet switched services when not offered in connection with enhanced services, and other regulated services of the type reportable to the FCC on Report 4361.
  - d. **Value-added (enhanced) services** – Telecommunications services that add value or function above and beyond the telecommunications transport services that deliver the value-added services to end users. They can include (i) electronic mail, voice mail, code and protocol processing, and management of data networks; (ii) facsimile services and video-conferencing; (iii) Internet connections (including Internet backbone and router services); and (iv) other value-added (enhanced) services.
  - e. **Support services** – Services related to the maintenance and repair of telecommunications equipment; ground station services; capacity leasing for transiting; and launching of communications satellites.
5. **Research, development, and testing services** – Commercial and noncommercial research, product development services, and testing services. Includes fees for the conduct of experiments or performance of research and development activities aboard spacecraft. Excludes medical and dental laboratory services.
6. **Management, consulting, and public relations services** – Management services, except management of health care facilities; consulting services, except consulting engineering services related to actual or proposed construction or mining services projects (see 24) and computer consulting (see 2); and public relations services, except those that are an integral part of an advertising campaign (see 1).
7. **Accounting, auditing, and bookkeeping services** – Excludes data processing and tabulating services (see 2).
8. **Legal services** – Legal advice or other legal services, including insurance claims adjustment services.
9. **Educational and training services** – Educational or training services provided or acquired on a contract or fee basis. Excludes tuition and fees charged to individual students, as well as training done by a manufacturer in connection with the sale of a good (see 11).
10. **Industrial engineering services** – Engineering services related to the design of movable products, including product design services. Excludes services that relate to immovable products, such as those that relate to actual or proposed construction or mining services projects (see 24).
11. **Industrial-type maintenance, installation, alteration, and training services** – Maintenance services primarily to machinery and equipment. May also include small maintenance work on buildings, structures, dams, highways, etc., but only to the extent that the work is not reportable under service number 24. Would include such services as the periodic overhaul of turbines, the extinguishment of natural gas well fires, and refinery maintenance. Excludes computer maintenance (report under service number 2). Installation and training services include only installation, startup, and training services provided by a manufacturer in connection with the sale of a good. Do not include such services where the cost is included in the price of the goods and not separately billed, or is declared as a part of the price of the goods on the import or export declaration filed with the U.S. Customs Service; however, services provided at a price over and above that entered on the declaration should be included. These services would be reported elsewhere if not received in connection with the purchase of goods. For example, installation of machinery and equipment is normally considered a construction activity, and training personnel in the use of new machinery would ordinarily be reported as an educational or training service.
12. **Performing arts, sports, and other live performances, presentations, and events** – Fees received (net of allowances for foreign expenses) or paid (net of allowances for U.S. expenses) for performing arts, sports, etc. To be reported by (a) U.S. management companies, booking agents, promoters, and presenters who received funds from or paid funds to foreign persons, for performances and events, and (b) U.S. performers who received funds directly from a foreign person rather than through a U.S. management company or similar entity. (As used here, "performers" means entertainers, sports teams, orchestras, dance companies, lecturers, and similar persons or performing groups.)
13. **Sale or purchase of rights to natural resources, and lease bonus payments** – Receipts from the sale of, or payments for the acquisition of rights to natural resources located in the United States and abroad, and lease bonus payments. Excludes sales of purchases of rights to surface land.
14. **Use or lease of rights to natural resources, excluding lease bonus payments** – Receipts or payments for the use of rights to natural resources located in the United States and abroad, including oil or mining production royalties. Excludes lease bonus payments (reportable under 13) and sales or purchases of rights to surface land.
- 15-21. **Miscellaneous disbursements** – Disbursements or outlays to fund news-gathering costs of broadcasters and the print media; production costs of motion picture companies and companies engaged in the production of broadcast program material other than news; and costs of maintaining tourism, business promotion, and representative offices, and for participating in foreign trade shows.
22. **Primary insurance premiums (purchases only)** – Applies only to insurance purchased from foreign insurance carriers. Equals premiums paid minus cancellations. Excludes reinsurance transactions.
23. **Losses recovered on primary insurance (purchases only)** – Applies only to claims recovered on purchases of primary insurance.
24. **Construction, engineering, architectural, and mining services** – Covers only **purchases** of the following types of services: Services of general contractors in the fields of building and heavy construction; construction work by special trade contractors, such as the erection of structural steel for bridges and buildings and on-site electrical work; architectural, engineering, and land-surveying services; and mining services, including oil and gas field services. Includes only those engineering services purchased in conjunction with construction and mining services projects; industrial engineering services, such as product design services, are included in 10. Includes services purchased in connection with proposed projects (e.g., feasibility studies) as well as projects that are actually being carried out.
25. **Financial services** – Payments to foreigners of credit-related fees; fees on securities transactions; and fees for other financial services by U.S. firms, or domestic subsidiaries of U.S. firms, that are **not** financial services intermediaries or providers. For transactions in "other" financial services, specify here or on an attachment the type of service that accounts for the largest share of the data reported.
26. **Merchanting services** – Sales of merchanting services are equal to the **difference** between your cost and the resale price of goods (such as crude oil, grain, and other commodities) that are both purchased and resold abroad; that is, the goods are neither imported to, nor exported from, the United States, and they do not undergo significant processing during the time between when they are purchased and resold. Without regard to whether the goods were initially purchased from an affiliated or unaffiliated foreign person, includes only transactions where the goods were resold to an unaffiliated foreign person.
27. **Operational leasing services** – Includes rentals for computer and data processing equipment; transportation equipment (such as ships, aircraft, railway cars, containers, rigs, automobile fleets, etc.) **without** crew or operators; and all other machinery and equipment. Excludes rentals under leases that have been capitalized (capital leases), rentals of transportation equipment **with** crew, and rentals of any items other than machinery and equipment. (For example, excludes rentals of office buildings and other real estate, film rentals, and employee leasing.)
28. **Other private services** – Includes transactions in only the following types of services: Language translation services, security services, collection services, actuarial services, salvage services, satellite photography services, and oil spill and toxic waste cleanup services; i.e., this category **excludes** transactions in services not on this list.

*For the convenience of the person in the company headquarters who is preparing the consolidated BE-22 report, please complete the following.*

Part or unit of company this Supplement A is for:

Name of person in the part or unit of the company to contact concerning this Supplement A

### TELEPHONE

Area code	Number	Extension
-----------	--------	-----------

## GENERAL INSTRUCTIONS

**Purpose** – Reports on this form are required in order to obtain reliable and up-to-date information on selected services transactions between U.S. persons and unaffiliated foreign persons. The information will be used to help support trade negotiations, formulate U.S. policy, and analyze the impact of that policy and the policies of foreign countries, on international trade in services. The data will also be used in compiling the U.S. balance of payments and national income and product accounts.

**Authority** – This survey is being conducted under the authority of the International Investment and Trade in Services Survey Act (P.L. 94-472, 90 Stat. 2059, 22 U.S.C. 3101-3108, as amended – hereinafter "the Act"), and the filing of reports is mandatory under Section 5(b)(2) of the Act (22 U.S.C. 3104). Regulations for the survey may be found in 15 CFR Part 801.

**Penalties** – Whoever fails to report may be subject to a civil penalty of not less than \$2,500, and not more than \$25,000, and to injunctive relief commanding such person to comply, or both. Whoever willfully fails to report shall be fined not more than \$10,000 and, if an individual, may be imprisoned for not more than one year, or both. Any officer, director, employee, or agent of any corporation who knowingly participated in such violations, upon conviction, may be punished by a like fine, imprisonment, or both (See 22 U.S.C. 3105). Notwithstanding the above, a U.S. person is not subject to any penalty for failure to report if a valid Office of Management and Budget (OMB) control number is not displayed on the form; such a number (0608-0060) is displayed on this form.

**Confidentiality** – The Act provides that your report to this Bureau is CONFIDENTIAL and may be used only for analytical or statistical purposes. Without your prior written permission, the information filed in your report CANNOT be presented in a manner that allows it to be individually identified. Your report CANNOT be used for purposes of taxation, investigation, or regulation. Copies retained in your files are immune from legal process.

### NOTES –

1. A single original copy of this report must be filed with the Bureau of Economic Analysis (BEA); please use the copy with the address label if such a labeled copy has been provided.
2. Currency amounts should be reported in U.S. dollars rounded to thousands (omitting 000). **EXAMPLE** - If the amount is \$1,000,000, report as \$1,000. Amounts less than \$500.00 round to "0" and should, therefore, be omitted.

### I. WHO IS TO REPORT AND GENERAL COVERAGE

#### A. Who is to report and transactions to be reported

1. **Mandatory reporting** – A BE-22 report is **required** from each U.S. person that had transactions (either sales or purchases) in excess of \$1,000,000 with unaffiliated foreign persons in any of the services listed in VII. of these General Instructions during the U.S. person's fiscal year.

The determination of whether a U.S. person is subject to this mandatory reporting requirement may be judgmental, that is, based on the judgement of knowledgeable persons in a company who can identify reportable transactions on a recall basis, with a reasonable degree of certainty without conducting a detailed manual records search. The "Optional Checklist" (Supplement A) described in IV. of the General Instructions may be used to facilitate data collection from the various parts of the reporter's organization.

Reporters who must file pursuant to this mandatory reporting requirement must complete Parts I and II of the form and all applicable schedules. The total amounts of transactions applicable to a particular schedule are to be entered in the appropriate column(s) on line 1 of the schedule. In addition, these amounts must be distributed below line 1 to the country(ies) involved in the transaction(s).

2. **Voluntary reporting** – If, during the U.S. person's fiscal year, the U.S. person's total transactions (either sales or purchases) in any of the types of services listed in VII. of these General Instructions are \$1,000,000 or less, the U.S. person is requested to provide an estimate of the total for each type of service. Provision of this information is voluntary. The estimates may be judgmental, that is, based on recall, without conducting a detailed manual records search.

The total amounts of transactions applicable to a particular schedule are to be entered in the appropriate column(s) on line 32 of the schedule. (If information on the countries of the transactions is available, the transactions may instead be reported by country in the mandatory section; however, disaggregation by country is not required.) Reporters who elect to file pursuant to the voluntary reporting option must complete Parts I and II of the form.

3. **Exemption** – A U.S. person receiving this form from BEA that is not required to report data in the mandatory section of any schedule, and that elects not to report data in the voluntary section of any schedule, must complete the "Person to Consult" and certification sections on page 1 and the exemption claim on page 2 of the form.

#### B. BE-22 definition of sales (receipts) or purchases (payments)

It should be noted that an item other than sales or purchases may be used as the measure of a given service for purposes of determining whether the threshold for mandatory reporting of the service is exceeded. Note that in several cases – advertising; telecommunications; performing arts, etc.; miscellaneous disbursements (services numbered 15–21 in VII. of these General Instructions); and rights to natural resources (services numbered 13 and 14) – measures other than, or in addition to, sales or purchases of services should be used. See VII. of these General Instructions for an explanation of what measure should be applied in determining whether you are subject to the BE-22 survey's mandatory reporting requirements for a given service.

#### C. Clarification of coverage and special situations

1. **Reporting period** – Form BE-22 is an annual report; one report is to be filed for each fiscal year of the U.S. Reporter. The Reporter's fiscal year is its financial reporting year that has an ending date in a given calendar year. (See **Definitions, II.M.**)
2. **Date of recording transactions** – Except for telecommunications services, transactions are to be reported on an accrual basis. Telecommunications transactions are to be reported on a settlements basis.
3. **Withholding taxes** – Data should be reported gross of U.S. and foreign withholding taxes.
4. **Services covered regardless of where performed** – Services sold to, or purchased from, unaffiliated foreign persons should be reported regardless of whether the services were performed in the United States or abroad.
5. **Services bundled with goods or with other services and not separately valued** – When a sale or purchase consists of both goods and services, or of several services, that cannot be unbundled (i.e., the goods and/or services are not separately valued), it should be classified based on whichever accounts for a majority of the value or on the basis of the Reporter's customary practice.
6. **Accounting for purchases** – Purchases of services should be included without regard to whether they are charged as an expense on the income statement, capitalized, or charged to inventories.
7. **Partnerships** – A partnership is a business enterprise and must report if it has covered transactions. The report must be for, and the data and information must cover, the partnership as a whole, not just the activities of an individual partner.
8. **Contractor reporting responsibility** – On all schedules, U.S. prime contractors are to report the full value of a transaction (contract) with an unaffiliated foreign person. U.S. subcontractors, including independent consultants, to a U.S. prime contractor are not to report their share of a contract with an unaffiliated foreign person.
9. **Projects with U.S. Government nonmilitary agencies** – Report information on services that are provided abroad for U.S. Government nonmilitary agencies, such as the Agency for International Development and the United States Information Agency, or that are part of an aid or technical cooperation program of the Government with foreign persons. However, do not report services provided to the U.S. Department of Defense or any of its agencies, such as the Army Corps of Engineers.
10. **International organizations** – Report transactions with international organizations, which, according to balance of payments conventions, are considered unaffiliated foreign persons even if they are headquartered in the United States. Enter the abbreviated designation, "Int'l Org.", as the name of the country the project is with.

## GENERAL INSTRUCTIONS – Continued

### D. Consolidation

If the U.S. Reporter is a corporation, Form BE-22 is required to cover reportable transactions for the fully consolidated U.S. domestic enterprise consisting of (i) the U.S. corporation whose voting securities are not owned more than 50 percent by another U.S. corporation, and, proceeding down each ownership chain from that U.S. corporation, (ii) any U.S. corporation (including a Foreign Sales Corporation located in the United States) whose voting securities are more than 50-percent owned by the U.S. corporation above it.

The fully consolidated U.S. domestic enterprise excludes foreign branches and other foreign affiliates.

Conditions may exist that would lead a U.S. corporation to exclude certain majority-owned (more than 50-percent owned) domestic subsidiaries from financial statements used in reports to shareholders. If such a subsidiary has covered transactions, it must file a report under its own name, and the subsidiary will be considered the U.S. Reporter for purposes of completing that form. The U.S. owner, however, is responsible for ensuring that the required Forms BE-22, both for itself and for the subsidiary, are filed with BEA on a timely basis. Such a subsidiary's filing deadline is the same as that of its U.S. owner.

## II. DEFINITIONS

**A. Services** mean economic activities whose outputs are other than tangible goods. This term includes, but is not limited to, banking, other financial services, insurance, transportation, communications and data processing, retail and wholesale trade, advertising, accounting, construction, design, engineering, management consulting, real estate, professional services, entertainment, education, and health care.

**B. U.S. Reporter** is the U.S. person filing a report in this survey (see I.D. for further clarification).

**C. United States**, when used in a geographic sense, means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and all territories and possessions of the United States.

**D. Foreign**, when used in a geographic sense, means that which is situated outside the United States or which belongs to or is characteristic of a country other than the United States.

**E. Person** means any individual, branch, partnership, associated group, association, estate, trust, corporation, or other organization (whether or not organized under the laws of any State), and any government (including a foreign government, the United States Government, a State or local government, and any agency, corporation, financial institution, or other entity or instrumentality thereof, including a government sponsored agency).

**1. United States person** means any person resident in the United States or subject to the jurisdiction of the United States.

**2. Foreign person** means any person resident outside the United States or subject to the jurisdiction of a country other than the United States.

**F. Business enterprise** means any organization, association, branch or venture which exists for profitmaking purposes or to otherwise secure economic advantage, and any ownership of any real estate. (A business enterprise is a "person" within the definition in paragraph E above.)

**G. Direct investment** means the ownership or control, directly or indirectly, by one person of 10 per centum or more of the voting securities of an incorporated business enterprise or an equivalent interest in an unincorporated business enterprise.

**H. Parent** means a person of one country who, directly or indirectly, owns or controls 10 per centum or more of the voting stock of an incorporated business enterprise, or an equivalent ownership interest in an unincorporated business enterprise, which is located outside that country.

**1. U.S. parent** means the U.S. person that has direct investment in a foreign business enterprise.

**2. Foreign parent** means the foreign person, or the first person outside the United States in a foreign chain of ownership, which has direct investment in a U.S. business enterprise, including a branch.

**I. Affiliated foreign group** means (i) the foreign parent, (ii) any foreign person, proceeding up the foreign parent's ownership chain, which owns more than 50 per centum of the person below it up to and including that person which is not owned more than 50 per centum by another foreign person, and (iii) any foreign person, proceeding down the ownership chain(s) of each of these members, which is owned more than 50 per centum by the person above it.

**J. Affiliate** means a business enterprise located in one country which is directly or indirectly owned or controlled by a person of another country to the extent of 10 per centum or more of its voting stock for an incorporated business or an equivalent interest for an unincorporated business, including a branch.

**1. Foreign affiliate** means an affiliate located outside the United States in which a U.S. person has direct investment.

**2. U.S. affiliate** means an affiliate located in the United States in which a foreign person has direct investment.

**K. Affiliated foreign person** means, with respect to a given U.S. person, (i) a foreign affiliate of which the U.S. person is a U.S. parent, or (ii) the foreign parent or other member of the affiliated foreign group of which the U.S. person is a U.S. affiliate.

**L. Unaffiliated foreign person** means, with respect to a given U.S. person, any foreign person that is not an affiliated foreign person as defined in paragraph K above.

**M. Fiscal year** is the U.S. Reporter's financial reporting year that has an ending date in calendar year 1999.

**N. Country** means, for purposes of this survey, the country of location of the foreign person with whom a transaction has occurred.

## III. GUIDELINES FOR CATEGORIZING ACTIVITIES

### A. Distinguishing between unaffiliated and affiliated transactions

This survey covers U.S. persons' direct services transactions, both sales and purchases, with unaffiliated foreign persons – that is, with foreign persons that are neither the foreign affiliate nor the foreign parent of the U.S. person filing the report. For definitions of terms, see II. above.

Examples of reportable transactions are:

1. A transaction between a U.S. person and an unaffiliated foreign person.
2. A transaction between one U.S. person and another U.S. person's foreign affiliate. Such a transaction is reportable by the first U.S. person.
3. A transaction between a U.S. parent of a foreign affiliate, or a U.S. affiliate of a foreign parent, and an unaffiliated foreign person (whether or not the latter is affiliated with other U.S. persons). Such a transaction is reportable by the U.S. parent or the U.S. affiliate.

Examples of transactions that are **not** reportable are:

1. A transaction between a U.S. person (U.S. parent) and its foreign affiliate.
2. A transaction between a U.S. person (U.S. affiliate) and its foreign parent or other member of the affiliated foreign group.
3. A transaction between a U.S. person's foreign affiliate and another foreign person. Such a transaction is not reportable because it is a foreign-to-foreign transaction.
4. A transaction between a U.S. person and another U.S. person (whether or not either or both parties are affiliated with foreign persons). Such a transaction is not reportable because it is a U.S.-to-U.S. transaction.

Transactions between U.S. parents and their foreign affiliates, and between foreign affiliates and other foreign persons, are already reportable in the surveys of U.S. direct investment abroad (BE-10, BE-11, and BE-577). Transactions between U.S. affiliates and their foreign parents or other members of their affiliated foreign groups are already reportable in the surveys of foreign direct investment in the United States (BE-12, BE-13, BE-15, BE-605, and BE-605 Bank).

## GENERAL INSTRUCTIONS – Continued

### B. Foreign activities of a U.S. person that do not constitute a foreign affiliate

Transactions with unaffiliated foreign persons by or through a foreign "activity" of a U.S. person that is not a foreign affiliate must be reported on the BE-22, if the activities are in covered types of services. Any of the services covered by this survey may also be provided at a foreign location through a foreign affiliate. Such transactions are not reportable in this survey. Before completing this survey, therefore, reporters must determine whether or not the services are conducted through a foreign activity that is not a foreign affiliate or through a foreign affiliate.

Although the definitions of direct investment and foreign affiliate in II. above, together with the discussion in III.A. above, should be sufficient to determine whether a given foreign activity is or is not a foreign affiliate, in a number of cases the determination may be difficult. Several factors to be considered are given below. If you still cannot determine if the activity or operation is an affiliate, call (202) 606-5588 for additional guidance. Also, if you think that an activity or operation currently reported as an affiliate is incorrect, please call and a determination of future reporting status will be made.

If a U.S. person's foreign activity or operation is incorporated abroad, it is a foreign affiliate.

If a U.S. person's foreign activity or operation is **not** incorporated abroad, its status is based on the weight of the evidence when the factors listed below are considered.

An unincorporated foreign activity or operation generally **would** be considered a foreign affiliate if it: (i) pays foreign income taxes; (ii) has a substantial physical presence abroad (e.g., plant and equipment or employees); (iii) maintains separate financial records that would permit the preparation of financial statements, including an income statement and balance sheet (not just a record of disbursements and receipts); (iv) takes title to the goods it sells and receives revenues therefrom; or (v) receives funds for its own account from customers for services it performs.

An unincorporated foreign activity or operation generally **would not** be considered a foreign affiliate if it: (i) conducts business abroad only for the U.S. person's account and not for its own account (e.g., sales promotion or public relations type of activities); (ii) has no separate financial statements; (iii) receives funds to cover its expenses only from the U.S. person; (iv) pays no foreign income taxes; and (v) has limited physical assets, or employees, permanently located abroad.

**Note** that a diverse group of activities that do not constitute foreign affiliates are covered by services numbered 15-21 in VII. of these General Instructions. For activities that are covered by these services, the respondent is asked to provide a breakdown by country of the total amount of the funding for these activities.

### C. U.S. activities of a foreign person that do not constitute a U.S. affiliate

Criteria for determining which U.S. activities do or do not constitute a U.S. affiliate of a foreign person are parallel to those in III.B. above.

### D. Determining who must report a transaction when an intermediary is involved

At times, transactions between a U.S. person and an unaffiliated foreign person may be arranged by, billed through, or otherwise facilitated by, an intermediary. The intermediary may be U.S. or foreign, and may be affiliated or unaffiliated with the U.S., or the foreign, person.

A determination of who a sale is to, or who a purchase is from, shall be made on the basis of who the U.S. person considers itself to have a claim on for payment, in the case of a sale, or who it has a liability to, in the case of a purchase. For a sale, if the U.S. person looks to the unaffiliated foreign person for payment, then the transaction is between the U.S. person and unaffiliated foreign person, and is to be reported by the U.S. person. If the U.S. person looks to the intermediary for payment, and the intermediary, in turn, looks to the foreign person for payment, then whether either transaction is reportable, and who it is to be reported by, depends on the location of the intermediary and the relationship between the U.S. person and the intermediary.

If the intermediary is a foreign person, then the U.S. person would report the transaction, provided the intermediary is not affiliated with the U.S. person. (If they are affiliated, then the transaction is not reportable in this survey.)

If the intermediary is a U.S. person, then the initial transaction between the original U.S. person and the intermediary is domestic-to-domestic and not reportable in the survey. However, the intermediary must report the transaction with the foreign person, provided the intermediary is not affiliated with the foreign person. (If they are affiliated, then the transaction is not reportable in this survey.)

The reportability of a purchase would be determined in a similar manner.

### IV. OPTIONAL CHECKLIST OF SERVICES TRANSACTIONS BETWEEN COMPANY UNIT AND UNAFFILIATED FOREIGN PERSONS

For the convenience of reporters, an "Optional Checklist" is provided in Supplement A, to help diversified companies determine, without a records search, whether or not the "parts" or units of the company had reportable services transactions, either sales or purchases, with unaffiliated foreign persons in the fiscal year.

If, for any sales or purchases category, a "part" or unit of the company answers "Yes" to the question of whether it had a transaction in a particular type of service, that "part" or unit must be included in the company's report under the survey's mandatory reporting requirement if the U.S. Reporter's total transactions in that service exceed \$1,000,000. (See I.A.1. of these General Instructions.) Even if the U.S. Reporter's total transactions are \$1,000,000 or less, a "Yes" answer to the question of whether the "part" or unit had any transactions can be used to help determine if the transactions of that "part" or unit should be included in the company's report on a voluntary basis. (See I.A.2. of these General Instructions.)

Companies should reproduce the checklist for distribution to their "parts" or units if they decide to use it in preparing their reports. The checklist is optional; it is for the internal use of reporters only and should not be returned to BEA with Form BE-22.

Some companies may find it advantageous to adapt the "Optional Checklist" to accommodate their own particular corporate structure or data collection procedures.

### V. RELATED FORMS

Persons receiving this form should be aware of nine other forms on services that are required to be filed on a mandatory basis with BEA (see 15 CFR, Part 801, Section 9).

- BE-20** Benchmark Survey of Selected Services Transactions With Unaffiliated Foreign Persons
- BE-29** Foreign Ocean Carriers' Expenses in the United States
- BE-30** Ocean Freight Revenues and Foreign Expenses of United States Carriers
- BE-36** Foreign Airline Operators' Revenues and Expenses in the United States
- BE-37** U.S. Airline Operators' Foreign Revenues and Expenses
- BE-47** Annual Survey of Construction, Engineering, Architectural, and Mining Services Provided by U.S. Firms to Unaffiliated Foreign Persons
- BE-48** Annual Survey of Reinsurance and Other Insurance Transactions by U.S. Insurance Companies with Foreign Persons
- BE-80** Benchmark Survey of Financial Services Transactions Between U.S. Financial Services Providers and Unaffiliated Foreign Persons
- BE-82** Annual Survey of Financial Services Transactions Between U.S. Financial Services Providers and Unaffiliated Foreign Persons
- BE-93** Annual Survey of Royalties, License Fees, and Other Receipts and Payments for Intangible Rights Between U.S. and Unaffiliated Foreign Persons

The types of transactions reportable on those forms are not covered by this survey. To receive a copy of form BE-29, BE-30, BE-36, or BE-37, telephone BEA at (202) 606-9559. To receive a copy of form BE-20, BE-47, BE-48, BE-80, BE-82, or BE-93, telephone BEA at (202) 606-5588.



## GENERAL INSTRUCTIONS – Continued

### VI. REPORTING PROCEDURES

- A. Due date** – A completed BE-22 is due on March 31, 2000.
- B. Fiscal year reporting period** – This report covers fiscal year 1999, which is your most recent fiscal year that ended on or before December 31, 1999. If your most recent fiscal year ended after December 31, 1999, please call for assistance.
- C. Extension** – Requests for an extension of the reporting deadline will not normally be granted. However, in a hardship case, a written request for an extension will be considered if it is received at least 15 days before the due date. BEA will provide a written response to such a request.
- D. For assistance or additional copies of the forms** – Phone (202) 606-5588 between 8:00 a.m. and 4:00 p.m., eastern time.
- E. Original and file copies** – A single original copy of each form or schedule must be filed with BEA. Please use the copy with the address label if such a labeled copy has been provided. In addition, each U.S. Reporter must retain a copy of its report to facilitate resolution of problems; these copies should be retained by the U.S. Reporter for a period of not less than 3 years beyond the form's original due date.
- F. Where to send the report** – Send reports filed by mail through the U.S. Postal Service to:
- U.S. Department of Commerce  
Bureau of Economic Analysis  
BE-50(SSB)  
Washington, DC 20230.
- Address report filed by direct private express delivery to:
- U.S. Department of Commerce  
Bureau of Economic Analysis, BE-50(SSB)  
Shipping & Receiving Section M-100  
1441 L Street, N.W.  
Washington, DC 20005
- G. Estimates** – If actual figures are not available, report estimates and label them as such. When data items cannot be fully subdivided as required, report totals and an estimated breakdown of the totals.

### VII. SERVICES COVERED

*Report sales of services numbered 1–20 and 26–28 on Schedule A, and report purchases of services numbered 1–24, 27, and 28 on Schedule B. Report purchases of financial services (service number 25) on Schedule C.*

- 1. Advertising services** – Preparation of advertising and placement of such advertising in media, including charges for media space and time. An advertising agency selling such services should report **gross billings** to unaffiliated foreigners. Sales by media companies (e.g. broadcasters, publishers, etc.) that are arranged through U.S. advertising agencies are presumed to be reflected in billings of the advertising agencies; thus, in order to avoid duplication, they should not be reported by the media suppliers. U.S. advertising agencies should report only direct transactions with unaffiliated foreign clients. Exclude transactions that are with the U.S. affiliates of foreign clients, rather than directly with foreign clients; such transactions are considered domestic (U.S.-to-U.S.) and are, therefore, outside the scope of this survey. Exclude charges for services other than advertising, such as public relations services or market research not directly associated with an advertising campaign. Such services should be reported under service number 6. U.S. media companies should report only direct sales of advertising services to unaffiliated foreign persons; they should not report advertising arranged by U.S. advertising agencies, including U.S. affiliates of foreign advertising agencies.
- Under **purchases** of advertising services, U.S. Reporters that are advertising agencies should report only funds paid to foreign advertising agencies and media companies on behalf of its clients. U.S. Reporters other than advertising agencies should report only purchases made directly from foreign advertising agencies and media companies. Do not report purchases made through a U.S. advertising agency. Also, do not report purchases made through the U.S. office of a foreign advertising agency if your payment is made to the U.S. office.
- Include the value of reciprocal exchanges; i.e., transactions involving barter. On Schedule A, value your sales to the foreign participant in the reciprocal exchange at market rates, not at the actual cost of performing the services. On Schedule B, value your purchases from the foreign participant at the same amount as the sales reported on Schedule A.

- 2. Computer and data processing services** – Data entry processing (both batch and remote), and tabulation; computer systems analysis, design, and engineering; custom software and programming services; integrated hardware/software systems; and other computer services (e.g., timesharing, maintenance, and repair). Exclude the following:
- (a) Operational leasing of computer and data processing equipment – report under service 27, Operational leasing
  - (b) Rights to use, distribute, or reproduce general use software – report on Form BE-93, Annual Survey of Royalties, License Fees, and Other Receipts and Payments for Intangible Rights Between U.S. and Unaffiliated Foreign Persons
  - (c) Prepackaged computer software physically shipped to or from the United States and reported on the import or export declaration filed with the U.S. Customs Service.
- 3. Data base and other information services** – Business and economic data base services, including business news, stock quotation, and financial information services; medical, legal, technical, demographic, bibliographic, and similar data base services; general news services, such as those purchased from a news syndicate; and other information services, including reservation systems and credit reporting and authorization systems. For airline reservation systems, includes booking fees from foreign carriers for the use of your reservation system, whether accessed directly or by a U.S. or foreign travel agent.
- 4. Telecommunications services** – Includes services of the following types (to be reported in a single column, rather than as five separate types of services):

**Message telephone services, telex, telegram, and other jointly provided basic services** – On Schedule A, report receipts from foreign persons (communications companies and postal, telephone, and telegraph agencies) for your share of revenues for transmitting messages originating abroad to U.S. destinations. On Schedule B, report payouts to foreign persons (communications companies and PTT's) for their share of revenues for transmitting messages originating in the United States to foreign destinations. For messages originating in foreign countries and routed through the United States (for example, from Caribbean countries via the United States to Western Europe), report receipts from the foreign person originating the message and payouts to the country of destination. Also report receipts for transmitting messages between foreign points when not offered in connection with enhanced services, and other regulated services of the type reportable to the FCC on Report 43.61.

**Private leased channel services** – On Schedule A, report receipts from foreign persons for circuits and channels terminating in the United States and for circuits and channels between foreign points. On Schedule B, report payouts to foreign persons (communications companies and PTT's) for leased channels and circuits terminating in foreign countries.

**Value-added (enhanced) services** – Telecommunications services that add value or function above and beyond the telecommunications transport services that deliver the value-added services to end users. They can include (a) electronic mail, voice mail, code and protocol processing, and management and operation of data networks; (b) facsimile services and video-conferencing; (c) Internet connections (including Internet backbone and router services); and (d) other value-added (enhanced) services. (Facsimile services and video-conferencing should be considered as value-added only if the company provides the facilities and equipment; a company that provides solely the telecommunications transmission for these services should report receipts and payouts on Schedules A and B).

**Support services** – Services related to the maintenance and repair of telecommunications equipment; ground station services (where the ground station is not an "affiliate"); capacity leasing for transiting; and launching of communications satellites.

**Reciprocal exchanges** – Include the value of reciprocal exchanges; i.e., transactions involving barter. On Schedule A, value your sales to the foreign participant in the reciprocal exchange at market rates, not at the actual cost of performing the services. On Schedule B, value your purchases from the foreign participant at the same amounts as the sales reported on Schedule A.

- 5. Research, development, and testing services** – Commercial and noncommercial research, product development services, and testing services. Includes fees for the conduct of experiments or performance of research and development activities aboard spacecraft. Excludes medical and dental laboratory services.

## GENERAL INSTRUCTIONS – Continued

- 6. Management, consulting, and public relations services –** Management services, except management of health care facilities; consulting services, except consulting engineering services related to actual or proposed construction or mining services projects (report purchases under service number 24, and report sales on BEA Form BE-47 – see V. of these General Instructions) and computer consulting (report under service number 2); and public relations services, except those that are an integral part of an advertising campaign (report under service number 1). Excludes management and operation of a business where operating staff as well as management is provided. (Generally, such operations would be deemed to constitute a U.S. affiliate to be reported on BEA's direct investment surveys rather than on this survey.)
- 7. Accounting, auditing, and bookkeeping services –** Excludes data processing and tabulation services (report under service number 2).
- 8. Legal services –** Legal advice or other legal services. Insurance companies should include fees paid as compensation for claims adjustment services.
- 9. Educational and training services –** Educational or training services provided on a contract or fee basis. Excludes tuition and fees charged to individual U.S. or foreign students by educational institutions. Also excludes training done by a manufacturer in connection with the sale of a good (reportable under service number 11).
- 10. Industrial engineering services –** Engineering services related to the design of movable products, including product design services. Excludes engineering and architectural services that relate to immovable products, such as those that relate to actual or proposed construction or mining services projects (report purchases under service number 24, and report sales on BEA Form BE-47 – see V. of these General Instructions). Excludes computer systems engineering (reportable under service number 2). Includes, however, services performed with the assistance of computers, such as computer-assisted design work.
- 11. Industrial-type maintenance, installation, alteration, and training services –** Maintenance services primarily to machinery and equipment. May also include small maintenance work on buildings, structures, dams, highways, etc., but only to the extent that the work is not reported under service number 24. Would include such services as the periodic overhaul of turbines, the extinguishment of natural gas well fires, and refinery maintenance. Excludes computer maintenance (report under service number 2). Installation and training services include only installation, startup, and training services provided by a manufacturer in connection with the sale of a good. Do not include such services where the cost is included in the price of the goods and not separately billed, or is declared as a part of the price of the goods on the import or export declaration filed with the U.S. Customs Service; however, services provided at a price over and above that entered on the declaration should be included. These services would be reported elsewhere if not received in connection with the purchase of goods. For example, installation of machinery and equipment is normally considered a construction activity, and training personnel in the use of new machinery would ordinarily be reported as an educational or training service.
- 12. Performing arts, sports, and other live performances, presentations, and events –** Fees received (net of allowances for foreign expenses) or paid (net of allowances for U.S. expenses) for performing arts, sports, etc. To be reported by (a) U.S. management companies, booking agents, promoters, and presenters who received funds from or paid funds to foreign persons, for performances and events, and (b) U.S. performers who received funds directly from a foreign person rather than through a U.S. management company or similar entity. (As used here, "performers" means entertainers, sports teams, orchestras, dance companies, lecturers, and similar persons or performing groups.)
- 13. Sale or purchase of rights to natural resources, and lease bonus payments –** Receipts from the sale of, or payments for the acquisition of, rights to natural resources located in the United States and abroad, and lease bonus payments. Excludes sales or purchases of rights to surface land.
- 14. Use or lease of rights to natural resources, excluding lease bonus payments –** Receipts or payments for the use of rights to natural resources located in the United States and abroad, including oil or mining production royalties. Excludes lease bonus payments (reportable under service number 13) and sales or purchases of rights to surface land.
- Note for services numbered 15-21:** Where a set of related expenditures was made in several countries, but your recordkeeping does not permit a precise allocation of expenses among individual countries, estimates are acceptable. If no basis for such estimates exists, then it is permissible to record the expenditures against the country in which the activities were centered or headquartered. For example, a news correspondent may conduct news-gathering activities in several countries. Although it would be preferable to report news-gathering expenses in each of the several countries, all of the expenses may, if necessary, be recorded against the country where the foreign news bureau is headquartered, or where the correspondent had the largest outlays.
- 15. Disbursements to fund news-gathering costs of broadcasters –** U.S. broadcasters' outlays to fund operations of their foreign news bureaus and for support of correspondents in foreign countries, and foreign broadcasters' outlays to fund operations of their U.S. news bureaus and for support of correspondents in the United States. (See note above.)
- 16. Disbursements to fund news-gathering costs of print media –** Outlays by U.S. newspapers, news syndicates, and news magazines for the operation of their foreign news bureaus, and outlays by foreign newspapers, news syndicates, and news magazines for the operation of their U.S. news bureaus. (See note above service number 15.)
- 17. Disbursements to fund production costs of motion pictures –** Foreign production costs of U.S. motion picture companies, and U.S. production costs of foreign motion picture companies. (See note above service number 15.)
- 18. Disbursements to fund production costs of broadcast program material other than news –** Foreign production costs of U.S. companies engaged in the production of broadcast material other than news, and U.S. production costs of foreign companies engaged in the production of broadcast material other than news. (See note above service number 15.)
- 19. Disbursements to maintain government tourism and business promotion offices –** Funding to maintain State tourism and business promotion offices located abroad, and funding to maintain foreign government sponsored tourism and business promotion offices located in the United States. (See note above service number 15.)
- 20. Disbursements for sales promotion and representation –** Funding to maintain sales promotion and representative offices, and commissions or "finder's fees" to unaffiliated (independent) sales agents. Sales promotion offices typically have few assets other than office furniture; to the extent that their employees are compensated by commissions, the commissions arise only from sales or business that the employees generate for their U.S. or foreign parents; they do not produce revenue, other than funds from their parents to cover their expenses; and they are engaged only in sales promotion, representational, public-relations-type activities, or the gathering of market information, on behalf of their parents. If an office produces revenues for its own account from goods or services it provides to unaffiliated persons, then it is considered a U.S. or foreign affiliate and is subject to the reporting requirements for BEA's direct investment surveys. (See note above service number 15.)
- 21. Disbursements to participate in foreign trade shows (outlays only) –** Foreign expenses incurred by U.S. persons participating in foreign trade shows. (See note above service number 15.)
- Note for services numbered 22 and 23:** When you report either service number 22 or 23, also report the other service. If there are transactions in one of these services but not in the other, label a column in Schedule B with the number for the other service and enter "NA" in line 1 or 32.
- 22. Primary insurance premiums (purchases only) –** Premiums (net of cancellations) paid to unaffiliated foreign insurance carriers. A U.S. Reporter should not report direct transactions with a foreign insurance company that is its foreign affiliate; such transactions are to be reported on direct investment survey BE-577. A U.S. Reporter should, however, report direct transactions with a foreign insurance company that is an affiliate of another U.S. company, as the U.S. Reporter and the foreign insurance company are unaffiliated. (See note above.)
- 23. Losses recovered on primary insurance (purchases only) –** Losses recovered on insurance purchased from unaffiliated foreign insurance carriers. (See note above service number 22.)

## GENERAL INSTRUCTIONS – Continued

### VII. SERVICES COVERED – Continued

- 24. Construction, engineering, architectural, and mining services (purchases only)** – Includes purchases of the following types of services: services of general contractors in the fields of building and heavy construction; construction work by special trade contractors, such as the erection of structural steel for bridges and buildings and on-site electrical work; architectural, engineering, and land-surveying services; and mining services, including oil and gas field services. Includes only those engineering services purchased in conjunction with construction and mining services projects; industrial engineering services, such as product design services, should be reported under service number 10. Includes services purchased in connection with proposed projects (e.g., feasibility studies) as well as projects that are actually being carried out.

**Note** that the U.S. Reporter's sales of construction, engineering, architectural, and mining services are not reportable on this survey, but on separate BEA Form BE-47.

- 25. Financial services (purchases only)** – Purchases from foreigners of financial services by U.S. firms, or domestic subsidiaries of U.S. firms, that are **not** financial services intermediaries or providers. Such purchases should be reported on Schedule C. See Schedule C for a more detailed description of the types of transactions that are covered.

- 26. Merchanting services** – (Report sales/receipts on Schedule A; purchases/payments are not reportable): For this service, only the value of merchanting services for all foreign countries combined (i.e., the global total for all foreign merchanting services) must be reported; data by individual foreign country may be reported voluntarily.

The value of merchanting services is equal to the **difference** between your cost for, and the resale price of, goods (such as crude oil, grain, and other commodities) that are both purchased and resold abroad; that is, the goods are neither imported to, nor exported from, the United States, and they do not undergo significant processing during the time between when they are purchased and resold. Without regard to whether you initially purchased the goods from an affiliated or unaffiliated foreign person, report data only for those transactions where you resold goods to an unaffiliated foreign person (i.e., a person who is neither your foreign affiliate nor a member of your foreign parent group). The data that are voluntarily reported by individual foreign country should be reported according to the individual foreign countries to which the goods were resold (and not the foreign countries from which the goods were purchased).

- 27. Operational leasing services** – Rentals for computer and data processing equipment; transportation equipment (such as ships, aircraft, railway cars, containers, rigs, automobile fleets, etc.) **without** crew or operators (if crew or operators are also provided, the fee is considered to be for transportation services, which are not reportable on the BE-22 but may be reportable on BEA forms BE-30, BE-36, or BE-37 – see V. of these General Instructions); and all other machinery and equipment. This category excludes rentals under leases that have been capitalized (capital leases), and rentals of any items other than machinery and equipment. (For example, it excludes rentals of office buildings and other real estate, film rentals, and employee leasing.)

- 28. Other private services** – Report transactions in the following types of services: Language translation services, security services, collection services, actuarial services, salvage services, satellite photography services, and oil spill and toxic waste cleanup services; i.e., this category **excludes** transactions in services not on this list. When reporting data under this service number, also identify on Schedule A or Schedule B, as appropriate, the specific type of service from the list above accounting for the largest share of the reported total.